

Cabinet

Trinity Catholic School

9 July 2020

Recommendations

That Cabinet:

1. Consider the report and the proposed structural solution for Trinity Catholic School including the financial risks, associated with the current position and long-term sustainability.
2. Agree the structural solution put forward for Trinity Catholic Secondary School as an Academy converter based on an options appraisal that includes the implications of doing nothing.
3. Authorise the Strategic Director for Communities in consultation with the Portfolio Holder for Education and Learning to negotiate the conditions that need to be met to enable the structural solution to be achieved including the accumulated deficit budget in line with the protocol for Schools with Deficit Budgets on terms and conditions acceptable to the Strategic Director for Resources.

1. Executive Summary

- 1.1 A proposed structural solution for Trinity Catholic School has been identified with relevant stakeholders including WCC, Birmingham Archdiocese, Our Lady of Lourdes MAC, the IEB and senior leadership in the school. This has been arrived at after an options appraisal.
- 1.2 The recommendation for Trinity Catholic School is that it joins Our Lady of Lourdes MAC. This fits with the Birmingham Archdiocese plan for all its schools to be part of a MAC and is based on the options appraisal in the paper attached. This is deemed by stakeholders to be a positive solution to enable stable education and high-quality provision moving forward. Other options have been considered.
- 1.3 This recommendation has the full support of the Archdiocese of Birmingham.
- 1.4 Academisation would not be as a sponsored academy, as the school is deemed by Ofsted to be a good school. However, the school was served a Warning Notice in December 2017 and subsequently an IEB was put in place in August 2018.
- 1.5 The implications of alternative solutions such as closure or the school continuing to function as it is, are not viable options. Pupil numbers are

needed in the area and closure would incur significant costs to the local authority well in excess of the accumulated deficit.

(Appendix 1 outlines the risks and considerations in more detail).

- 1.6 To continue as it is, would more than likely mean a forced academy position, an increase in the deficit position as sustainable leadership and school improvement support would need to be commissioned, and high quality education, for the children and young people would not be sustained. Having no clear direction of travel for the school and change in vision is likely to mean a continued decline in pupil numbers.
- 1.7 The conversion date proposed is January 2021.
- 1.8 Our Lady of Lourdes MAC have set certain conditions that need to be met for them to continue with the proposal for Trinity Catholic School to join the MAC. These are:
1. The accumulative deficit up until 31st March 2020 to be taken on by WCC. (This deficit is £1,039,274 at the point of end of year budget submission)
 2. Any further in-year debt accrued up until the point of conversion to be dealt with by WCC. The IEB have removed the suspension of the 6th form which will have a positive impact on the in-year budget position. The budget submission shows a projected deficit of £21,941 for 2020/2021. (Any in-year deficit would be what is accumulated over the first 2 terms and not for the whole year)
 3. The resource for an Executive Head to continue post conversion until end of the summer term 2021. A budget has been identified this will be covered through the school improvement budget.
 4. Support from WCC for a Trust Fund Capacity bid and a School improvement fund application (SSIF)

2. Financial Implications

The projected financial implications of each option appraised are as follows

| Option | Approximate Financial implications |
|---|---|
| School remains as it is as a stand-alone maintained VA school | Current deficit plus an increase in costs in year including leadership, staffing, CPD, ICT infrastructure |
| Move the school to another site | Capital: £24,000,000+ (excluding any new site purchase costs if required) |
| Closure of the school | Capital: £17,000,000+ Revenue: £3,583,067+ |

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|---|---|
| Structural solution as an academy convertor joining a MAC | Revenue deficit: £1,039,274 + any in-year deficit up to the point of conversion |
|---|---|

3. Environmental Implications

None

4. Supporting Information

- 4.1 Cabinet need to agree alongside the Archdiocese, if they support the option put forward to enable a sustainable structural solution for Trinity Catholic School to be put in place for the long-term stability of the school, quality education and continued school places in the area.
- 4.2 The Archdiocese are funding £635k for capital works on the school site.
- 4.3 Cabinet needs to be aware this is a project transition period. As a voluntary aided school there is a need to work with the relevant stakeholders to achieve the best possible solution for the school.
- 4.4 Cabinet needs to agree to the conditions being set by Our Lady of Lourdes MAC to enable Trinity Catholic School to join their academy trust. This includes the Council funding:
- the accumulated deficit budget and any in-year deficit budget up to the point of conversion.)
 - the resource for an Executive Head to continue post conversion until end of the summer term 2021. This would be covered through the school improvement budget which is already planned for.
 - support from WCC for a Trust Fund Capacity bid and a School improvement fund application (SSIF).

5. Timescales associated with the decision and next steps

- 5.1 Decision to be taken by Cabinet 9th July if this recommendation is supported the following steps will be taken:
- 5.2 Application to the Regional Schools Commissioner week of the 13th July
- 5.3 Consultation with stakeholders September 2020
- 5.4 Proposed academisation 1st January 2021

Appendices

1. Appendix 1- Options summary
2. Appendix 2- Trinity Catholic School Closure LA risk analysis

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The report was shared with the Chair, Vice Chair and Group Spokespersons for the Children and Young People Overview and Scrutiny Committee prior to publication



APPENDIX 1 - Options summary – Trinity Catholic School

01 July 2020

This document summarises the options available for WCC regarding Trinity Catholic School in light of the low pupil numbers and deficit budget position. It outlines some of the potential benefits and risks associated with each option. All options and risk benefits presented are based on moving forward from the current position as at March 2020.

The options reviewed are as follows:

1. Academisation
2. Remain LA maintained
3. Total closure
4. Relocation

The summaries below do not reflect the full process required for each option or the complexities involved to move the school towards that option.

1. School becomes an academy

| Benefits | Risks |
|---|--|
| New leadership arrangements with an established Head/executive leader and clear governance arrangements | Budget deficit falls to the LA |
| Renewed perception with parents through re-branding | Lack of willingness for the school to join a MAC |
| Economies of scale are achievable within a trust which will contribute to the long term financial viability of the school | |
| Collaborative arrangements with other schools in terms of staffing, breadth of the curriculum and post 16 provision | |
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| Additional considerations | |
| RSC support/agreement for academisation | |
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2. School remains LA maintained (do nothing option)

| Benefits | Risks |
|----------|-------|
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|--|--|
| Continuity for current pupils | Budget deficit likely to increase as whilst the budget is projected to get close to a near in-year balance it does not include future costs for leadership, IT developments, curriculum developments etc |
| | Parental perception of the school is poor as there is no clear vision moving forward. This has an impact on pupil numbers which remain low |
| | Staffing shortages to cover a broad curriculum |
| | Lack of investment in the infrastructure as the budget will have no capacity |
| | Continued low numbers as parental/community perception will not change |
| Additional considerations | |
| This is actually not an option as the school will not be sustainable | |
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3. Total closure of Trinity Catholic School

| Benefits | Risks |
|--|--|
| Capital receipt from disposal of school site | Shortfall in secondary school places in both the short and long term |
| | Removal of parental choice/ Catholic secondary provision from the area |
| | Redundancy costs (to be quantified) increase budget deficit |
| | Secretary of State may direct the transfer of any part of the land to another academy or free school, or to be used for a new free school |
| | Disruption to education of pupils currently on role at time of closure |
| | Insufficient capacity to accommodate existing pupils in local secondary schools |
| | Expansion of existing schools to accommodate the 750 places in 11-16 age range only - likely in the region of £17,000,000 to £34,000,000 depending on the specific project requirements at each existing school – No funding currently available |
| Additional considerations | |



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| Secretary of state consent unlikely to be granted for disposal of the current site given the predicted need for Secondary places in the area |
| Capital receipt unlikely to meet funding requirement to re-provide lost capacity |
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4. Relocation within Leamington area

| Benefits | Risks |
|--|--|
| Possibility of relocating school closer to area of housing growth – dependant on securing a suitable site | Capital cost for relocation likely in excess of £24million (excluding land purchase if required) |
| Capital receipt from disposal of school site | No capital funding source for relocation identified |
| | Revenue budget deficit remains and may increase |
| | Existing parental preference trends and low pupil numbers may continue |
| | |
| Additional considerations | |
| The only available sites are already allocated for new education provision to meet the expected demand for additional school places in the area – this new provision is required in excess of the existing capacity of the Leamington and Warwick secondary schools and cannot be utilised to re-provide the capacity currently at Trinity School. | |
| Secretary of state consent unlikely to be granted for disposal of the current site given the predicted need for Secondary places in the area | |
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Appendix 2 - Trinity Catholic School closure LA risk analysis - costs and considerations

01 July 2020

Closure of Trinity Catholic School is not currently proposed as a viable option.

This document outlines some of the potential risks to the Local Authority if the school were to close in the near future and is theoretical only at this time.

Education Sufficiency

The Education Sufficiency Strategy Annual Update 2019 outlines the Warwick and Leamington Secondary School planning area is expected to be over capacity from September 2019 onwards. As larger primary cohorts continue to transfer through to secondary school and housing development within the area progresses this shortfall is expected to increase rapidly and is expected to support the opening of a new secondary school in the area as early as September 2023.

| Planning Area | Academic Year | Year 7 Places Available - PAN | Year 7 Forecast Pupil Numbers | Available Capacity (4% target) | Total Places Available | Total Forecast Number On Roll | Available Capacity (4% target) |
|------------------------|---------------|-------------------------------|-------------------------------|--------------------------------|------------------------|-------------------------------|--------------------------------|
| Warwick and Leamington | 2019/20 | 1051 | 1056 | 0% | 5255 | 4823 | 8% |
| | 2020/21 | 1051 | 1057 | -1% | 5255 | 5012 | 5% |
| | 2021/22 | 1081 | 1158 | -7% | 5405 | 5301 | 2% |
| | 2022/23 | 1081 | 1182 | -9% | 5405 | 5578 | -3% |
| | 2023/24 | 1081 | 1313 | -21% | 5405 | 5935 | -10% |
| | 2024/25 | 1081 | 1284 | -19% | 5405 | 6131 | -13% |
| | 2025/26 | 1081 | 1304 | -21% | 5405 | 6322 | -17% |

Table 1: Pupil number forecasts, source: Annual Education Sufficiency Update 2019

In this context the capacity provided by the five existing secondary schools in Leamington and Warwick is integral to ensuring the Local Authority is able to meet the statutory duty to provide sufficient school places. In addition, Trinity Catholic School serves an additional function of ensuring the parental choice exists in the area.

Education Capital costs

Trinity Catholic School currently provides 750 possible places across the 11-16 age range with a further 300 places available for 6th form students.

As outlined above the expected increase in secondary school pupils is such that the capacity Trinity School provides is essential to ensure the provision of sufficient places. Therefore, there would be the requirement to re-provide the capacity of Trinity School in its entirety within the Leamington and Warwick area. Based on national benchmark data the current cost estimates for a new 750 place secondary school, plus 6th form, are in the region of **£24,000,000**.

The full cost of re-providing this capacity would lie with WCC, with any Basic Need Grant funding received from central government would be lagged by up to three years after the removal of capacity was reported to the DfE via the annual SCAP return.

It is important to note the per place funding received via Basic Need Grant funding would not cover the full costs of delivering completely new provision.

This is in excess of the estimated £30,000,000+ required to deliver the proposed All-through provision in South Leamington. In addition, the site secured for this new All-through provision is directly related and sized according to the expected need for places as a result of housing development in this area. Any decision to re-provide any, or all, of the secondary school places lost through the potential closure of Trinity School on this site would require a substantial change to the existing planning permission and may cause conflict with the legal agreement under which the new site has been secured.

An alternative to wholesale re-provision of capacity as a new school, could be expansion at the remaining existing secondary schools in the area. However this approach presents significant challenges in terms of physical site capacities and capital cost and would require detailed feasibility studies to be undertaken at each school to assess the viability of expansion and may severely limit the ability to meet future need in the area should the demand for places continue to grow.

Current benchmarking data suggests a 150 place (1fe) secondary school expansion with costs in the region of £3,400,000, however similar projects currently in feasibility stage are suggesting realistic costs of double this figure. Therefore, the total capital costs associated with expansion of existing schools to accommodate the 750 places in 11-16 age range only could be in the region of £17,000,000 to £34,000,000 depending on the specific project requirements at each existing school.

Secretary of State approval and intervention

Local authorities wanting to dispose of school land require consent from the Secretary of State under Schedule 1 to the Academies Act 2010. This extends the requirement to ask for Secretary of State consent to dispose of community school land to include all land in which a freehold or leasehold interest is held by the local authority and which has been used for any school (including any academy) in the last 8 years.

When a voluntary school is closed and being discontinued, those persons holding land for the purposes of the school need to apply to the Secretary of State to decide what should happen to any land used by the school that has been provided, acquired or enhanced at public expense. This legislative requirement is contained in Part II of Schedule 22 to the School Standards and Framework Act 1998 (as amended by Schedule 4 of the Education Act 2006).

In this context the Secretary of State's powers enables them to:

- require the land to be transferred to the school's maintaining local authority,
- allow the governing body, foundation body or trustees to retain the land,
- require the land to be transferred to another maintained school

The Secretary of State also has the power to require the payment of compensation wherever this is considered appropriate.

In relation to the need for places as outlined it is important to note that should the school close the governing body, foundation body or trustees of a foundation, trust or voluntary school are also able to dispose of land and buildings they hold on trust for use by their school. However, they are required to give notice to the Secretary of State of their intention to dispose of their freehold interest in educational land. The Secretary of State may then decide to exercise powers under Schedule 1 to the Academies Act 2010 to direct the transfer of any part of the land to an academy or free school or be used for a new free school or academy.

In addition to all the above and assuming the existing pupils have been accommodated elsewhere, should the Trinity School site remain vacant there is a risk the Secretary of State may not approve the opening of the proposed new all-through school in South Leamington.

Challenge to Education Sufficiency planning

Following a lengthy process to secure planning permission for the new all-through school, including significant local objection, the closure of Trinity Catholic School prior to the construction and opening of the new school may risk WCCs ability to effectively plan for sufficient school places being called into question.

Any decision to negatively affect the sufficiency of secondary school places in an area with an established increasing need for additional places may also open WCC to challenge regarding the strategic approach to Secondary school sufficiency, not least from housing developers expected to provide funding to deliver new school places.

Redundancy revenue costs and deficit budget position

Redundancy costs related to a whole school closure are still to be quantified but expected to be significant.

All redundancy costs would be funded from the school's revenue budget, leading to an increased deficit position which ultimately would revert to the Local Authority upon closure of the school.

Pupil Growth revenue costs

Should the need to re-provide the full capacity of Trinity School in a stand-alone new school there would be the requirement for diseconomies of scale revenue funding to support the new school both pre and post opening. This funding is paid from the DSG Pupil Growth Fund and currently the maximum expected to be paid to a new secondary school is £762,000.

Alternatively, if the expansion at the remaining existing secondary schools in the area is considered the current Pupil Growth funding paid to each Secondary School for each additional 30 places offered per year group in the 11-16 age range totals £64,047. Therefore, the total Growth Funding associated with expansion of existing schools to accommodate the 750 places in 11-16 age range could be £1,601,175.